

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

	:	Chapter 11
	:	
In re:	:	Case Nos. 08-13555(JMP)
	:	
LEHMAN BROTHERS HOLDINGS	:	(Jointly Administered)
INC., et. al.,	:	
	:	
	:	
Debtor.	:	

**[PROPOSED] ORDER GRANTING MOTION OF OCCIDENTAL
POWER SERVICES, INC. AND OCCIDENTAL ENERGY MARKETING,
INC. TO EFFECTUATE SETOFF AND SETTLE
OUTSTANDING DERIVATIVE CONTRACTS AND FOR RELATED RELIEF**

IT IS HEREBY ORDERED this _____ day of _____, 2009 that the Motion of Occidental Power Services, Inc and Occidental Energy Marketing, Inc. to Effectuate Setoff and Settle Outstanding Derivative Contracts and for Related Relief (the “Motion”) is GRANTED;

IT IS HEREBY FURTHER ORDERED as follows:¹

(1) Occidental has a right to set-off the amount owed under the OPSI Swap against the amount payable under the OEMI Swap pursuant to the express terms of the Swaps and the safe-harbor provisions contained in 11 U.S.C. § 560;

(2) Occidental properly calculated the Net Payable due and owing to Debtors as of October 14, 2008;

¹ Capitalized terms not defined herein shall have the same meaning as set forth in the Motion.

(3) The interest amount for the period of October 14, 2008 through the Settlement Date is the Termination Rate as calculated by Occidental;

(4) Occidental shall tender the Net Payable due and owing under the Swaps, plus any applicable interest accrued through the Settlement Date, with the Settlement Date being the date which is five (5) business days from the date of this Order; and

(5) Once Occidental makes the payment specified in this Order, Occidental has satisfied all obligations it had under the Swaps, and therefore the Swaps are fully and finally settled.

Dated: _____
New York, New York

The Honorable James M. Peck
United States Bankruptcy Judge

